GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1264
ANSWERED ON:29.07.2003
IMPORT OF LNG
SULTAN SALAHUDDIN OWAISI

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that fertilizer industry is running short of LNG for running its plants;

(b) if so, the details thereof;

(c) whether the Government are considering importing LNG for its fertilizer plants to run them smoothly;

(d) if so, the details thereof;

(e) whether any proposal to import LNG has been prepared and sent to the Government for approval;

(f) if so, the details thereof; and

(g) if not, reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. CHHATTRA PAL SINGH)

(a) to (g): Fertilizer plants, which use natural gas for feed stock and fuel, are facing shortage of natural gas because of dwindling domestic gas supplies.

Import of natural gas including liquefied natural gas (LNG) is under OpenGeneral Licence (OGL) and therefore does not require Government approval. However, the Government has approved the formation of a Joint Venture of Indian Oil Corporation, Bharat Petroleum Corporation Limited, Oil and NaturalGas Corporation Limited and Gas Authority of India Limitedby the name of Petronet LNG Limited (PLL)PLL is setting up an LNG terminal at Dahej inGujarat for the import of five million tonne per annum of LNG.The terminal is expected to be commissioned by first quarter of 2004. PLL also plans to set up an LNG terminal at Kochi for which almost all pre-project activities have been completed. Further progress will depend on market tie-ups for the gas.

The re-gasified LNG from the Dahej terminal may be available for meeting the deficit of fertilizer plants also.